GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:367
ANSWERED ON:19.08.2010
ROYALTY ON NATURAL GAS AND OIL
Choudhary Shri Harish;Mahendrasinh Shri Chauhan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the revenue generated and shared between the Union and State Governments concerned as a result of levying royalty on petroleum and petroleum products;

(b) the mechanism in place to fix/determine royalty on natural gas and oil;

(c) the periodicity of fixation of royalty;

(d) the date on which the royalty was fixed last;

(e) whether the Government proposes to revise the royalty;and

(f) if so, the time by which it is likely to be revised?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF THE LOK SABHA STARRED QUESTION NO.367 BY SHRI HARISH CHAUDHARY AND DR. MAHENDRASINH P. CHAUHAN TO BE ANSWERED ON 19.08.2010 REGARDING ROYALTY ON NATURAL GAS AND OIL

(a) In accordance with the Statutory provisions, Royalty on oil/gas produced from offshore blocks accrues to the Central Government whereas for onshore blocks, it accrues to the respective State Governments. During 2009-10, the Royalty paid to the Central Government and State Governments on crude oil and natural gas was Rs.7152.89 crore and Rs.3454.00 crore respectively.

(b) The Royalty is payable on well-head price of crude oil and natural gas.

(c)&(d) There is no periodicity for fixation of Royalty as per Oilfields (Regulation and Development) Act, 1948. The Royalty rates were last revised vide Notification dated 16th December, 2004.

(e)&(f) No proposal is under consideration of the Government for revision of Royalty rate.